

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 25th April, 2005, the Agreement was entered into between DCWL and Dickson Trading (S).

The DTG Group is wholly-owned by Mr. Dickson Poon, a Director and substantial shareholder of the Company, and is deemed to be a connected person for the purpose of the Listing Rules. Accordingly, the Sales of Merchandise under the Agreement constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules, and are therefore subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Rules 14A.45 to 14A.48 and Rules 14A.37 to 14A.40 of the Listing Rules respectively.

A circular containing, among other matters, (i) the details of the Continuing Connected Transactions; (ii) the advice of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the SGM will be despatched to the shareholders of the Company as soon as practicable.

The Board announces that on 25th April, 2005, the Agreement was entered into between DCWL and Dickson Trading (S).

DETAILS OF THE AGREEMENT

Date: 25th April, 2005

Seller: DCWL

Purchaser: Dickson Trading (S)

Subject: Pursuant to the Agreement, the Group will wholesale merchandise of different brand names including apparel, accessories and watches, of which the Group owns the distribution rights of the respective merchandise in Asia, to the DTG Group

Term: The Agreement has a fixed term of three years ending 31st March, 2008. Either party may terminate the Agreement without cause by serving the other party with not less than three months' prior written notice. Both parties may agree to and renew the Agreement in writing upon expiry on 31st March, 2008 for another three years subject to compliance with the applicable Listing Rules

Price: The selling prices of the merchandise will be the standard wholesale prices or with a trade discount ranging from 5 per cent. to 10 per cent., due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days

Transactions regarding the Sales of Merchandise were disclosed in the announcement dated 30th May, 2002 of the Company and the circular dated 20th June, 2002 of the Company and were approved by the then Independent Shareholders at the special general meeting of the Company held on 8th July, 2002. A waiver from strict compliance with the disclosure and independent shareholders' approval requirements under the Listing Rules for the three financial years ended 31st March, 2005 was then granted by the Stock Exchange to the Company on 15th July, 2002 in respect of the Sales of Merchandise.

The Sales of Merchandise by the Group to the DTG Group for the two financial years ended 31st March, 2003 and 31st March, 2004 were HK\$68,289,000 and HK\$99,400,000 respectively.

The Directors propose that the annual caps for the Sales of Merchandise under the Agreement for the three financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$102 million, HK\$120 million and HK\$157 million respectively. The aforesaid annual caps are derived based on the historical figures of the Sales of Merchandise, the estimated annual growth of the sales, the prevailing as well as the expected market conditions.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group wholesales merchandise of different brand names including apparel, accessories and watches, of which the Group owns the distribution rights of the respective merchandise in Asia, to the DTG Group. The selling prices of the merchandise to the DTG Group are equal to the standard wholesale prices or with a trade discount ranging from 5 per cent. to 10 per cent. which are no less favourable to the Group than those available to or from (as appropriate) independent third parties. The trade discount is given to the members of the DTG Group in Malaysia and Singapore as promotional and brand building subsidy where the Group does not have a direct presence.

The Directors consider that the Continuing Connected Transactions will continue to be conducted in the ordinary and usual course of business of the Group and on a frequent basis. Accordingly, it would be impracticable and too costly for the Group to negotiate with each group company of the

DTG Group in respect of the Continuing Connected Transactions, or to make press announcements and/or seek Independent Shareholders' prior approval for the Continuing Connected Transactions as each of the relevant transactions arises, and hence the entering into of the Agreement in the form of a master agreement will be beneficial to the Company and its shareholders as a whole. The Agreement is in line with the principal activity of the sale of luxury goods of the Group and will ensure continuous business growth and contribute to the Group's turnover and profits. The Directors are of the view that the terms of the Agreement are on normal commercial terms which were negotiated at arm's length, in the ordinary and usual course of business, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The DTG Group is wholly-owned by Mr. Dickson Poon, a Director and substantial shareholder of the Company, and is deemed to be a connected person for the purpose of the Listing Rules. Accordingly, the Sales of Merchandise under the Agreement constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules, and are therefore subject to reporting, announcement, Independent Shareholders' approval and annual review requirements under Rules 14A.45 to 14A.48 and Rules 14A.37 to 14A.40 of the Listing Rules respectively.

The Company will therefore seek the approval of the Agreement and the aforesaid annual caps by the Independent Shareholders in relation to the Continuing Connected Transactions on the following conditions:

- (a) the annual caps for the Continuing Connected Transactions for the three financial years ending 31st March, 2006, 31st March, 2007 and 31st March, 2008 will be HK\$102 million, HK\$120 million and HK\$157 million respectively;
- (b) the Continuing Connected Transactions will be entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there is no available comparison, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the Agreement on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole;
- (c) the independent non-executive Directors will review the Continuing Connected Transactions annually and confirm in the Company's next and successive annual reports that the Continuing Connected Transactions have been conducted in the manner as stated in paragraphs (a) and (b) above;
- (d) the auditors of the Company will review the Continuing Connected Transactions annually and confirm in a letter to the Board, a copy of which will be provided to the Stock Exchange, stating whether:
 - (i) the Continuing Connected Transactions have been approved by the Board;
 - (ii) the Continuing Connected Transactions have been entered into in accordance with the pricing policies as stated in the Agreement;

- (iii) the Continuing Connected Transactions have been entered into in accordance with the terms of the Agreement; and
- (iv) the annual caps set out in paragraphs (a) above have been exceeded.

Where, for whatever reason, the auditors decline to accept the engagement or are unable to provide the letter referred to in paragraph (d) above, the Directors will contact the Listing Division of the Stock Exchange immediately;

- (e) details of the Continuing Connected Transactions in each financial year will be disclosed in the annual report of the Company for that financial year together with a statement of the opinion of the independent non-executive Directors and confirmation from the auditors of the Company referred to in paragraphs (c) and (d) above; and
- (f) the DTG Group will provide to the Stock Exchange an undertaking that, for so long as the Company's shares are listed on the Stock Exchange, it will provide the Company's auditors with full access to its relevant records for the purpose of the auditors' review of the Continuing Connected Transactions referred to in paragraph (d) above.

SGM

Given the above, the SGM will be convened as soon as practicable at which resolution(s) will be proposed to approve the Continuing Connected Transactions and the annual caps of the Continuing Connected Transactions. In view of the interest of Mr. Dickson Poon in the Continuing Connected Transactions, he and his associates will abstain from voting at the SGM.

GENERAL

The Company is an investment holding company and the Group is principally engaged in the sale of luxury goods with over 380 retail outlets throughout Asia.

An Independent Board Committee comprising the independent non-executive Directors, namely Mr. Bhanusak Asvaintra, Mr. Nicholas Peter Etches and Mr. Christopher Patrick Langley has been established to advise the Independent Shareholders in respect of the terms of the Agreement and the annual caps. In connection therewith, Anglo Chinese Corporate Finance, Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other matters, (i) the details of the Continuing Connected Transactions; (ii) the advice of the Independent Board Committee to the Independent Shareholders; (iii) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the SGM will be despatched to the shareholders of the Company as soon as practicable.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the merchandise sale and purchase agreement entered into between DCWL and Dickson Trading (S) on 25 th April, 2005
-------------	---

“associates”	has the meaning as ascribed under the Listing Rules
“Board”	the board of Directors
“Company”	Dickson Concepts (International) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Continuing Connected Transactions”	the continuing connected transactions of the Company regarding the Sales of Merchandise contemplated under the Agreement
“DCWL”	Dickson Concepts (Wholesale) Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the sale of watches and fashion products. DCWL is wholly-owned by the Company
“Dickson Trading (S)”	Dickson Trading (S) Pte Ltd, a company incorporated in Singapore with limited liability, the principal activities of which are the importing, exporting, sale of fashion consumer goods and investment holding, the subsidiary companies of which also engage in the provision of management and supporting services. Dickson Trading (S) is a member of the DTG Group and is wholly-owned by Mr. Dickson Poon
“Director(s)”	the director(s) of the Company
“DTG Group”	Dickson Trading (S) and together with its group companies
“Group”	the Company and its subsidiary companies
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors, namely, Mr. Bhanusak Asvaintra, Mr. Nicholas Peter Etches and Mr. Christopher Patrick Langley
“Independent Shareholders”	shareholders of the Company, other than Mr. Dickson Poon and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Dickson Poon”	Mr. Dickson Poon, the group executive chairman of the Group and a substantial shareholder of the Company
“Sales of Merchandise”	sales of merchandise of different brand names including apparel, accessories and watches by the Group to the DTG Group

“SGM”	the special general meeting, including any adjourned meeting thereof, of the Company to be convened to consider and approve the Agreement and the relevant annual caps
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

As at the date of this announcement, the Board comprises:

Executive Directors:

Dickson Poon (*Group Executive Chairman*)

Raymond Lee (*Deputy Chairman*)

Chan Tsang Wing, Nelson

Ching Sau Hong, Kevin

Edwin Ing

Ng Chan Lam

Walter Josef Wuest

Independent Non-Executive Directors:

Bhanusak Asvaintra

Nicholas Peter Etches

Christopher Patrick Langley, OBE

By Order of the Board
Or Suk Ying, Stella
Company Secretary

Hong Kong, 26th April, 2005

* *For identification purpose only*